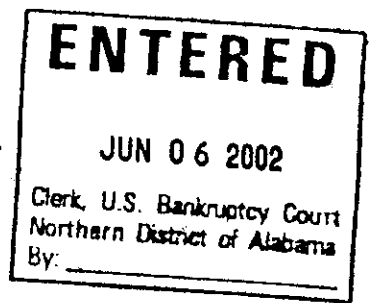


IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION



In re:

Shook & Fletcher Insulation Co.,

Debtor.

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Case No.: 02-02771-BGC-11

ORDER
Referring Case to Mediation

This case involves complex legal, factual, and technical issues. It involves many interested parties and non-parties. It could involve as many as 80,000 asbestos claimants. As represented in some of the applications for employment and other documents filed with the Court, the monetary costs are significant.

The pending discovery disputes and other disagreements among the entities interested in this case are representative of the differences among them. This Court has the responsibility to encourage resolution of those differences before the costs to sustain those differences eliminate any possibility of solutions. In that regard the Court finds that the participants in this Chapter 11 case should mediate their differences as quickly as possible. Even if the process does not produce a settlement, it will benefit the participants and Court in requiring the parties to narrow their differences.

Based on the above and the pleadings, it is **ORDERED**:

1. This case is referred to mediation pursuant to Rule 9019-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Alabama. That Rule adopts the Alternative Dispute Resolution for the United States District Court for the Northern District of Alabama. See the Court's Web site under "Code and Rules" at www.alnb.uscourts.gov.
2. The matters before the Court are not stayed pending the outcome of the mediation; however, the participants are encouraged to commit sufficient resources to the mediation.
3. For purposes of this order, the Court considers the participants to be:
 - A. the debtor;
 - B. the futures representative;
 - C. the Asbestos Claimants' Committee;
 - D. SouthTrust Bank;
 - E. AmSouth Bank;
 - F. Shook & Fletcher Supply Company;

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- G. the "Killions;"
- H. Hasbrouck Haynes;
- I. any committees formed in this case; and
- J. Travelers Casualty and Surety Company.

Any other interested entity may participate.

4. Pursuant to Rule 9019-2, the participants in this case are notified of the referral of this case to mediation. Any objection to the referral to mediation, for good cause, must be filed within 10 days of the date of this Order and served on the other participants. If an objection is filed, a hearing shall be set and noticed by the Clerk's office with 5 days notice of the hearing.
5. Pursuant to Rule 9019-2, the participants shall consider this Order written notice of referral to mediation. If no objection to the mediation is filed, the participants shall notify the Court in writing within 10 days of the date of this Order of the name of the person selected by the participants as a mediator from the Panel of Neutrals maintained by the District Court.
6. If the participants fail to agree on a mediator or fail to notify the Court within the 10-day period, the Court will send the participants a list of three names from the Panel. The participants shall rank the mediators in order of preference and shall return the same to the Court within 7 days of the date of the notice designating the three mediators.
7. The cost of the mediation shall be shared equally by all participants.
8. The procedure for mediation in the Local Rules of the District Court shall control unless modified by this order.
9. The non-mediation schedule in this case is governed by this Court's May 1, 2002, Order (i) Scheduling Hearings on Approval of the Disclosure Statement and Solicitation Procedures and to Consider Confirmation of the Prepackaged Plan of Reorganization, (ii) Establishing Discovery Schedule, and (iii) Establishing Deadlines and Procedures for Filing Objections to the Adequacy of the Disclosure Statement and Solicitation Procedures and to Confirmation of Plan. To eliminate any interference with that schedule, the participants shall report to the Court in writing on July 19, 2002, by 4:00 p.m., (the date and time for filing objections to the disclosure statement and objections to confirmation), whether mediation succeeded, failed, or more time is warranted.

DONE this the 6th day of June, 2002.


BENJAMIN COHEN
United States Bankruptcy Judge